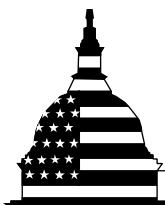

February 2013

DEFENSE LOGISTICS

A Completed Comprehensive Strategy is Needed to Guide DOD's In- Transit Visibility Efforts

**G A O**

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DEFENSE LOGISTICS

A Completed Comprehensive Strategy is Needed to Guide DOD's In-Transit Visibility Efforts

Why GAO Did This Study

DOD has invested heavily in its logistics operations, estimating that its overall spending on logistics—including supply chain management—was more than \$171 billion in fiscal year 2011. GAO has previously reported that one of the most complex and vital tasks facing DOD is managing its supply chain to effectively and efficiently provide spare parts, food, fuel, and other critical supplies in support of U.S. military forces. GAO has identified DOD's supply chain management as a high-risk area and has previously reported that limitations in asset visibility—including the visibility of assets in transit—make it difficult to obtain timely and accurate information on the assets that are present in the theater of operations. As part of GAO's work to update its high-risk areas, this report assesses the extent to which DOD (1) is aware of its components' efforts to improve in-transit visibility and (2) has a strategy to achieve in-transit visibility that includes the key elements of a comprehensive strategic plan. To conduct these assessments, GAO obtained and analyzed information from the defense components, reviewed and analyzed relevant defense policies, guidance, and plans regarding in-transit visibility, and interviewed officials from DOD and the defense components.

What GAO Recommends

GAO recommends that as DOD finalizes its in-transit visibility strategy it should ensure that it receives complete information from the components that addresses all key elements of a strategic plan. DOD concurred with GAO's recommendation.

View [GAO-13-201](#). For more information, contact Zina D. Merritt, (202) 512-5257, merrittz@gao.gov

What GAO Found

The Department of Defense (DOD) has taken steps to improve in-transit visibility of its assets through efforts developed by several of the defense components, but no one DOD organization is fully aware of all such efforts across the department, because they are not centrally tracked. In-transit visibility is the ability to track the identity, status, and location of DOD assets and personnel from origin to consignee or destination across the range of military operations. GAO has previously reported that it is important for organizations to have complete, accurate, and consistent data to inform policy, document performance, and support decision making. Managers striving to reach organizational goals must have information systems in place to provide them with needed information. Based on data from defense components—the Joint Staff, U.S. Transportation Command, U.S. Central Command, the Defense Logistics Agency, and the military services—that GAO reviewed, 34 in-transit visibility efforts are being conducted by the components. The department has obligated about \$701 million for fiscal years 2009 through 2011 for these efforts and projected about \$455.3 million in costs to be incurred for fiscal years 2012 through 2015—a total of approximately \$1.2 billion. Currently, DOD conducts some informal coordination and information sharing regarding its in-transit visibility efforts, but information is not consistently shared through a formal mechanism.

In 2012, DOD began developing a draft strategy for asset visibility and in-transit visibility; however, this strategy includes some but not all key elements of a comprehensive strategic plan. According to DOD officials, the draft strategy, developed in collaboration with all pertinent components, is expected to be completed by June 2013. Officials anticipate that it will be used to guide and integrate related department-wide efforts to improve end-to-end supply chain management and support to the services. According to DOD officials, each component will be expected to develop an execution plan that contains information about its in-transit visibility efforts. The draft strategy indicates that such information is to include descriptions of gaps or challenges within the supply chain, as well as the component's actions or proposed actions to address them. According to GAO's prior work, a comprehensive strategic plan should include a mission statement; a problem definition, scope, and methodology; goals and objectives; activities, milestones, and performance measures; resources and investments; information about organizational roles, responsibilities, and coordination; and a description of key external factors that could affect the achievement of goals. GAO's review of DOD's draft strategy found that it includes one of the seven key elements of a comprehensive strategic plan, partially includes four others, and does not include the remaining two. For example, it includes overarching goals and objectives, but it does not include information on DOD's planned resources and investments to achieve those goals or key external factors that could affect the achievement of the goals. Until DOD has finalized a department-wide strategy with all accompanying execution plans, it will not have the information it needs to make well-informed decisions about asset visibility and in-transit visibility, including setting budget priorities for its in-transit visibility efforts across the supply chain in an increasingly constrained fiscal environment.

Contents

Letter		1
	Background	5
	DOD Is Not Fully Aware of All In-Transit Visibility Efforts across the Department and Lacks a Central Mechanism to Track Their Status	8
	DOD's Draft Strategy to Achieve Asset Visibility and In-Transit Visibility Has Not Been Finalized and Does Not Include Some of the Key Elements of a Comprehensive Strategic Plan	10
	Conclusions	16
	Recommendation for Executive Action	16
	Agency Comments	17
Appendix I	Scope and Methodology	20
Appendix II	List of In-Transit Visibility Efforts	22
Appendix III	Comments from the Department of Defense	25
Appendix IV	GAO Contact and Staff Acknowledgments	27
Tables		
	Table 1: Obligations and Projected Costs for In-Transit Visibility Efforts, Fiscal Years 2009 through 2015 (\$ in millions)	9
	Table 2: Data to Be Included in Components' Execution Plans	13
	Table 3: Extent to Which DOD's Draft Strategy for In-Transit Visibility Includes the Seven Elements of a Comprehensive Strategic Plan	15
Figure		
	Figure 1: Key DOD Supply Chain Policies, Guidance, and Other Documents, 2003 through 2011	7

List of Abbreviations

aRFID	active radio frequency identification
DOD	Department of Defense
RFID	radio frequency identification
TRANSCOM	U.S. Transportation Command

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United States Government Accountability Office
Washington, DC 20548

February 28, 2013

Congressional Committees

The Department of Defense (DOD) has invested heavily in its logistics operations, estimating that its overall spending on logistics—including supply chain management—was more than \$171 billion in fiscal year 2011.¹ DOD's goal in operating its global distribution system is to deliver the right items to the right place at the right time—and at the right cost. We have previously reported that one of the most complex and vital tasks facing DOD is managing its supply chain to effectively and efficiently provide spare parts, food, fuel, and other critical supplies in support of U.S. military forces.² Maintaining visibility of these assets throughout the materiel distribution system is critical to ensuring that DOD meets its stated goal and provides support to the warfighter. DOD's materiel distribution system covers four segments—from the movement of supplies in the continental United States (intracontinental movement), through strategic and theater movements, to tactical movement on the battlefield—and must be capable of reaching its military customers whether they are located on large, well-established bases or at small, remote outposts.

The performance of DOD's materiel distribution system relies on many stakeholders, each with different responsibilities, systems, and processes. U.S. Transportation Command (TRANSCOM) serves as DOD's single manager for transportation (for other than service-unique or theater-assigned assets), responsible for providing common-user and commercial air, land, and sea transportation and terminal management, among other things. Joint logistics doctrine has established that delivery from major logistics bases to the point of employment is not a joint responsibility but rather a service-specific responsibility, as designated by the geographic combatant commander.³ DOD components have efforts

¹Logistics costs include supplies, maintenance, and transportation functions. DOD's most recent available data for logistics spending was for fiscal year 2011.

²GAO, *Defense Logistics: DOD Needs to Take Additional Actions to Address Challenges in Supply Chain Management*, [GAO-11-569](#) (Washington, D.C.: July 28, 2011).

³Joint Chiefs of Staff, Joint Publication 4-0, *Joint Logistics* (July 18, 2008); Joint Chiefs of Staff, Joint Publication 4-09, *Distribution Operations* (Feb. 5, 2010).

under way that attempt to address visibility issues in all segments of the materiel distribution system; however, maintaining in-transit visibility all the way through to the tactical movement segment remains challenging. DOD defines in-transit visibility as the ability to track the identity, status, and location of DOD units and non-unit cargo (excluding bulk petroleum, oils, and lubricants); passengers; patients; and personal property from origin to consignee or destination across the range of military operations.⁴ For the purposes of this report we are referring to the Joint Staff, TRANSCOM, U.S. Central Command, the Defense Logistics Agency, and the military services as the components. The military services include the Army, Navy, Marine Corps, and Air Force.

Since 1990, we have designated DOD supply chain management as a high-risk area.⁵ This designation involves DOD's management of its entire supply chain and includes three focus areas for improvement: requirements forecasting, materiel distribution, and asset visibility.⁶ We have previously reported that limitations in asset visibility make it difficult to obtain timely and accurate information on DOD assets that are present in the theater of operations.⁷ This report focuses on the visibility of assets in transit. We have previously reported on limitations to asset visibility, including challenges in instituting new technologies for tracking assets and a lack of interoperability among information technology systems.⁸ In 2011, we reported that DOD had taken steps to mitigate some of the challenges concerning supplying the warfighter in Afghanistan, but it continues to face several challenges in delivering and maintaining

⁴Joint Chiefs of Staff, Joint Publication 1-02, *Department of Defense Dictionary of Military and Associated Terms* (Dec. 15, 2012).

⁵For our most recent update, see GAO, *High-Risk Series: An Update*, [GAO-13-283](#) (Washington, D.C.: February 2013).

⁶DOD describes asset visibility as the ability to provide timely and accurate information on the location, quantity, condition, movement, and status of items in its inventory, including assets in transit.

⁷While DOD's definition of asset visibility states that it provides users with information on the location, movement, status, and identity of units, personnel, equipment, and supplies, our prior work on asset visibility has focused on the visibility of equipment and supplies.

⁸GAO, *Defense Logistics: Lack of Key Information May Impede DOD's Ability to Improve Supply Chain Management*, [GAO-09-150](#) (Washington, D.C.: Jan. 12, 2009) and *Defense Logistics: Efforts to Improve Distribution and Supply Support for Joint Military Operations Could Benefit from a Coordinated Management Approach*, [GAO-07-807](#) (Washington, D.C.: June 29, 2007).

visibility of supplies and equipment. These challenges include unmet delivery standards and time lines for cargo shipments; incomplete delivery data for many surface shipments; inadequate radio-frequency identification (RFID)⁹ information to track all cargo movements to and within Afghanistan; lack of a common operating picture for distribution data that integrates DOD's many transportation information systems; difficulties in collecting information on all incidents of pilferage of and damage to cargo; and ineffective tracking and managing of cargo containers. We stated that these challenges have hindered the distribution of supplies and equipment to the warfighter and will likely continue to affect operations in Afghanistan and limit DOD's visibility and oversight of the supply chain. We made a number of recommendations to address these concerns.¹⁰ DOD concurred with five of our recommendations and partially concurred with another six. Although DOD acknowledged that several challenges remain, it did not concur with our four remaining recommendations. DOD did not concur with three of our recommendations because its view is that TRANSCOM as Distribution Process Owner does not and should not have any oversight between the logistics hubs in Afghanistan and the warfighter. DOD also did not concur with one recommendation because the department believes that adequate policy and procedures already exist to ensure that content-level detail is entered onto RFID tags. In July 2011, we also recommended that DOD develop a comprehensive corrective action plan for improving asset visibility, and we identified key elements that should be included in such a plan to maximize its usefulness. However, DOD did not concur with that recommendation, citing its ongoing improvement efforts as sufficient.¹¹ We continue to believe that all of these recommendations are valid and should be implemented to improve DOD's efforts in this area.

Because of ongoing interest in our high-risk areas—including DOD supply chain management—this report was prepared under the authority of the

⁹RFID technology is used on containers and major pieces of equipment for tracking shipments and their contents while they are in transit over long distances. Active RFID tags have transmitters that transmit information through radio signals that are read electronically.

¹⁰GAO, *Warfighter Support: DOD Has Made Progress, but Supply and Distribution Challenges Remain in Afghanistan*, [GAO-12-138](#) (Washington, DC: October 2011).

¹¹GAO, *Defense Logistics: DOD Needs to Take Additional Actions to Address Challenges in Supply Chain Management*, [GAO-11-569](#) (Washington, D.C.: July 28, 2011).

Comptroller General to conduct evaluations on his own initiative. This report assesses the extent to which DOD (1) is aware of its components' efforts to improve in-transit visibility¹² and (2) has a strategy to achieve in-transit visibility that includes the key elements of a comprehensive strategic plan.

To determine the extent to which DOD is aware of its components' efforts to achieve in-transit visibility, we obtained and analyzed information from the defense components on efforts covering fiscal years 2009 through 2015. We included U.S. Central Command because we have previously reported on weaknesses in DOD supply chain management in U.S. Central Command's area of responsibility and noted that asset visibility is one of the focus areas for improvement.¹³ We also obtained available cost information for each of the in-transit visibility improvement efforts—including obligations for fiscal years 2009 through 2011 and projected costs for fiscal years 2012 through 2015. We interviewed officials from the defense components to clarify the purpose and scope of each effort. To determine the extent to which DOD has a strategy to achieve in-transit visibility that includes the key elements of a comprehensive strategic plan, we reviewed and analyzed relevant defense policies, guidance, and plans regarding in-transit visibility, and we interviewed officials from the Office of the Deputy Assistant Secretary of Defense for Supply Chain Integration and from the defense components. We also reviewed DOD's November 2012 draft of its strategy to improve asset visibility (tracking) and in-transit visibility to determine whether specific elements of effective strategic planning were included. To do so, we conducted a content analysis of the draft strategy. Two analysts independently compared the strategy to the specific elements, then discussed their individual reviews and reached a consensus.

¹²For the purposes of this report, in-transit visibility efforts are systems, devices, or programs that are intended to improve DOD's ability to track the identity, status, and location of DOD cargo (excluding petroleum, oils, and lubricants) from origin to destination. An example of an in-transit visibility effort is the Army's Radio Frequency In-transit Visibility system, which provides commanders and logisticians with a single source of near real-time location, passive security, and carrier information for DOD cargo from origin to destination.

¹³We did not include the remaining five geographic combatant commands: Africa Command, European Command, Northern Command, Pacific Command, and Southern Command.

We conducted this performance audit from September 2011 to February 2013 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I provides additional details on the scope and methodology of this report.

Background

The performance of DOD's materiel distribution system relies on many stakeholders, each with different responsibilities, systems, and processes. Many organizations within DOD have important roles and responsibilities for supply chain management, and these responsibilities are spread across multiple components with separate funding and management of logistics resources and systems. The Under Secretary of Defense for Acquisition, Technology and Logistics serves as the principal staff assistant and advisor to the Secretary of Defense for all matters relating to defense logistics, among other duties, and is the department's Defense Logistics Executive, with overall responsibility for improving and maintaining the defense logistics and supply chain system. The Assistant Secretary of Defense for Logistics and Materiel Readiness, under the authority, direction, and control of the Under Secretary of Defense for Acquisition, Technology and Logistics, is the principal logistics official within the senior management of DOD. Within the Office of the Assistant Secretary of Defense for Logistics and Materiel Readiness, the Deputy Assistant Secretary of Defense for Supply Chain Integration improves the integration of DOD's supply chain by developing policy and facilitating the components' implementation of supply chain management practices, among other duties. The Deputy Assistant Secretary of Defense for Supply Chain Integration develops and directs DOD-wide supply chain integration functions by establishing and maintaining policies that are intended to deliver efficient, sustainable, and cost-effective end-to-end supply chain performance. Each of the military departments is separately organized, under its own Secretary. Subject to the authority, direction, and control of the Secretary of Defense, the Secretaries of the military departments are responsible for, among other things, organizing, training, and equipping their forces. TRANSCOM, in addition to its responsibilities for transporting equipment and supplies in support of military operations, is designated as the distribution process owner for DOD. The role of the distribution process owner is, among other things, to oversee the overall effectiveness, efficiency, and alignment of department-wide distribution

activities, including force projection, sustainment, and redeployment/retrograde operations.

DOD has issued a series of policies, strategic planning documents, instructions, memoranda, and other documents related to logistics and supply chain management over the last several years. Joint Publication 4-0, *Joint Logistics*, provides the doctrinal framework which describes how logistics is delivered to support joint operations across the range of military operations. Joint Publication 4-0 also acknowledges the importance of technology in capturing source data effectively, integrating those data, and making them more accessible in order to provide the shared awareness needed to improve planning, decision making, and assessment. Key policies, guidance, and other documents that address many aspects of the department's supply chain from 2003 through 2011 are described in figure 1.

Figure 1: Key DOD Supply Chain Policies, Guidance, and Other Documents, 2003 through 2011

2003	The Secretary of Defense issues guidance designating TRANSCOM as DOD's Distribution Process Owner, making it responsible for the overall efficiency and alignment of DOD-wide distribution activities.
2004	The Office of the Secretary of Defense releases a memorandum, <i>Radio Frequency Identification (RFID) Policy</i> , mandating the use of radio frequency identification tags on DOD shipments.
2005	<p>DOD issues the first iteration of its <i>Supply Chain Management Improvement Plan</i> to address some of the systemic supply chain and logistics weaknesses highlighted in our reports. DOD has subsequently updated that plan on a periodic basis.</p> <p>DOD produces its <i>Focused Logistics Roadmap</i>, which catalogues then-current logistics efforts and initiatives.</p>
2006	The Office of the Secretary of Defense designates TRANSCOM as DOD's Lead Functional Proponent for radio frequency identification and related automatic identification technology in part to develop a centralized approach for use of asset visibility technologies.
2007	DOD releases the Automatic Identification Technology Concept of Operations for Supply and Distribution Operations, which identifies the appropriate automatic identification technology to be used for assets wherever they may be in the DOD supply chain. According to the document, TRANSCOM's goal is to ensure that automatic identification technology is used as a supply chain enabler in a synchronized manner "to enhance asset visibility and maximize deployment and distribution operational efficiencies."
2008	<p>DOD releases its <i>Logistics Roadmap</i>, with the intent of providing a more coherent and authoritative framework for logistics improvement efforts, including supply chain management.</p> <p>TRANSCOM initiates an effort called Distribution Process Owner Strategic Opportunities (DSO) to identify opportunities to improve the performance of DOD-wide distribution processes and generate cost avoidances and improvements in the DOD supply chain.</p>
2009	DOD starts the Afghan Host Nation Trucking Contract. According to the statement of work of the contract, private trucking contractors who carry the majority of U.S. supplies and equipment within Afghanistan are required to use an in-transit visibility management system to allow for cargo tracking.
2010	DOD submits its <i>Comprehensive Inventory Management Improvement Plan</i> to congressional defense committees, as required by the National Defense Authorization Act for Fiscal Year 2010. It includes a plan to, among other things, accelerate DOD's efforts to achieve total asset visibility.
2011	<p>The Office of the Secretary of Defense designates TRANSCOM as DOD's lead proponent for in-transit visibility to ensure that policies, business processes, procedures, systems, data elements, and technologies are synchronized for effective in-transit visibility.</p> <p>According to the department, DOD updates its <i>Unified Command Plan</i>, a key strategic document that establishes the missions, responsibilities, and geographic areas of responsibility for commanders of combatant commands, and gives TRANSCOM responsibility for synchronizing planning of global distribution operations.</p>

Source: GAO analysis of DOD information.

DOD Is Not Fully Aware of All In-Transit Visibility Efforts across the Department and Lacks a Central Mechanism to Track Their Status

DOD has taken steps to improve in-transit visibility of its assets through efforts developed by several of the defense components, but no one organization is fully aware of all such efforts across the department, because they are not centrally tracked. Based on data we requested and received from DOD officials in several components, we were able to compile a list of 34 in-transit visibility efforts that are being conducted by the components. Currently, DOD conducts some informal coordination and information sharing regarding its in-transit visibility efforts, but information is not consistently shared through a formal mechanism.

We have previously reported that it is important for organizations to have complete, accurate, and consistent data to inform policy, document performance, and support decision making.¹⁴ Additionally, we have found that having to incorporate information drawn from multiple sources can potentially be challenging to those responsible for managing and integrating that information.¹⁵ Managers striving to reach organizational goals must have information systems in place to provide them with needed information.¹⁶ We conducted our own research, in collaboration with the components, to identify the in-transit visibility efforts across DOD, because DOD has not identified and does not yet have a ready means for identifying these efforts. No single defense component could identify all of the efforts across the department or provide cost figures for them. Based on our analysis, 27 of the 34 efforts are each led and funded by a single defense component. For example, the Army leads and funds the Next Generation Wireless Communications effort, a wireless network that provides location, condition, and intrusion-detection information on DOD assets. Of the remaining seven efforts, each is co-led by two or more components. For example, TRANSCOM and the Defense Logistics Agency co-led an effort to merge data from several sources into one system.¹⁷ The 34 efforts are listed in appendix II. Many of these efforts

¹⁴GAO, *Humanitarian and Development Assistance: Project Evaluations and Better Information Sharing Needed to Manage the Military's Efforts*, [GAO-12-359](#) (Washington, D.C.: Feb. 8, 2012) and GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996).

¹⁵GAO, *Interagency Collaboration: Key Issues for Congressional Oversight of National Security Strategies, Organizations, Workforce, and Information Sharing*, [GAO-09-904SP](#) (Washington, D.C.: September 2009).

¹⁶[GAO/GGD-96-118](#).

¹⁷Integrated Data Environment/Global Transportation Network Convergence.

include increasing the use of automatic identification technology tools within the department or enhancing computer systems that store and report data on assets while they are in transit.

Based on information we collected, DOD has obligated about \$701 million for fiscal years 2009 through 2011 for these efforts and projected about \$455.3 million in costs for fiscal years 2012 through 2015—for a total of approximately \$1.2 billion. The Army and TRANSCOM have provided the largest amount of funding for these efforts, compared to the other components. Table 1 shows the amount of obligations and projected costs associated with in-transit visibility efforts, as reported by the defense components.

Table 1: Obligations and Projected Costs for In-Transit Visibility Efforts, Fiscal Years 2009 through 2015 (\$ in millions)

Lead defense component	Obligations FY 2009 - 2011	Projected costs FY 2012 - 2015	Total costs
Army	491.6	254.7	746.3
Navy	9.2	3.8	13.0
Marine Corps	13.0	21.2	34.2
Air Force	16.1	5.5	21.6
Joint Staff	0.2	0.2	0.4
U.S. Central Command	1.4	0.9	2.3
TRANSCOM	163.3	166.8	330.1
Defense Logistics Agency	6.2	2.2	8.4
Total	701.0	455.3	1,156.3

Source: GAO analysis of DOD data.

In addition, some coordination and information sharing among components regarding in-transit visibility efforts is taking place through both department-wide and service-specific activities, according to DOD officials. These activities include conferences, working groups, and workshops. The participants in these activities vary based on the focus of the group. However, participants have included officials from the Office of the Secretary of Defense, the combatant commands, the four military services, the Defense Logistics Agency, and other government agencies that support distribution process improvements. DOD officials explained that these conferences, workshops, and meetings provide opportunities to discuss challenges that the components are experiencing with in-transit

visibility and the efforts they are taking to address these challenges. For example, the Marine Corps hosted a logistics summit in November 2011. The participants included officials from logistics offices in the Army, the Defense Logistics Agency, TRANSCOM, and the Marine Corps. During the summit, officials from the various components discussed challenges and issues related to in-transit visibility—such as methods to mandate and implement the use of RFID tags on cargo containers, pallets, and reusable shipping containers and the enforcement of RFID requirements on cargo shipments transported outside the United States. Additionally, TRANSCOM officials said that a list of in-transit visibility points of contact at each component is distributed among the components. According to these officials, the components use the information in this document to reach in-transit visibility points of contact in other components so they can discuss related issues on an ad hoc basis. Officials from the Office of the Deputy Assistant Secretary of Defense for Supply Chain Integration told us that recent workshops have consistently included representatives of the DOD components; these officials believe that the workshops will increase awareness of all in-transit visibility efforts across the department. However, these opportunities to share information are informal, and we found that no one organization was fully aware of all of the in-transit visibility efforts across the department, because information was not consistently shared through a formal mechanism.

DOD’s Draft Strategy to Achieve Asset Visibility and In-Transit Visibility Has Not Been Finalized and Does Not Include Some of the Key Elements of a Comprehensive Strategic Plan

In 2012, DOD began developing a strategy for asset visibility and in-transit visibility; however, as of January 2013 the strategy had not been finalized and did not include some of the key elements of a comprehensive strategic plan. According to DOD officials, the draft strategy, developed in collaboration with all pertinent components, is expected to be completed by June 2013. Officials anticipate that it will be used to guide and integrate related department-wide efforts to improve end-to-end supply chain management and support to the services. According to DOD officials, each component will be expected to develop an execution plan that contains information about its in-transit visibility efforts. The draft strategy indicates that such information is to include descriptions of gaps or challenges within the supply chain and the component’s actions or proposed actions to address them. Our analysis shows that the current draft of DOD’s strategy for asset visibility and in-transit visibility fully includes one of the seven elements of a comprehensive strategic plan, partially includes four others, and does not include the remaining two. Until DOD has finalized its department-wide strategy, with all of its accompanying execution plans, it will not have the information it needs to make well-informed decisions about asset visibility

and in-transit visibility, including setting budget priorities for its in-transit visibility efforts across the supply chain in an increasingly constrained fiscal environment.

DOD Has Recently Focused on Developing an Asset Visibility and In-Transit Visibility Strategy but Has Not Finalized It

DOD has policies, instructions, and other guidance in place that address supply chain issues such as the use of technology to track the location of cargo, but these documents have not focused specifically on in-transit visibility. Recently, DOD has recognized the need to develop a comprehensive in-transit visibility strategy. The Deputy Assistant Secretary of Defense for Supply Chain Integration leads and is overseeing the effort to develop the strategy for improving asset tracking and in-transit visibility—which encompasses taking advantage of the automatic identification technology implementation and process integration to date—and ensuring that in-transit visibility is “truly factory to foxhole.” The Deputy Assistant Secretary of Defense for Supply Chain Integration stated that one goal is to refocus department-wide efforts on measurable actions to improve asset tracking and in-transit visibility using automatic identification technology as an enabler when requirements for end-to-end supply chain optimization dictate its use. According to the draft strategy, it will contribute to achieving the following objectives for improving asset visibility (tracking) and in-transit visibility:

1. optimized deployment/redeployment, sustainment, and retrograde operations,¹⁸ enabled by data capture and collection
2. integrated standards-based systems
3. unique identification of assets
4. enhanced visibility
5. improved logistics decisions

As of January 2013, this strategy had not been finalized, but the Deputy Assistant Secretary provided us with an overview and a copy of the draft. The strategy was developed collaboratively by the Office of the Secretary of Defense, the Defense Logistics Agency, TRANSCOM, and the services. As a part of developing the strategy, the components are in the

¹⁸Retrograde is a process for the movement of equipment and materiel from a deployed theater to a reset (replace, recapitalize, or repair) program or to another theater of operations to replenish unit stocks or satisfy stock requirements.

process of developing execution plans based on a template provided by DOD that calls for various information about their in-transit visibility efforts. For example, the draft strategy for asset visibility and in-transit visibility, dated November 2012, included execution plans from the Defense Logistics Agency, TRANSCOM, and the Navy. The Army, Marine Corps, and Air Force have developed draft execution plans but have yet to submit them for inclusion in the draft strategy, according to DOD officials.

According to DOD officials, each component will be expected to develop an execution plan that contains information about its in-transit visibility efforts. The draft strategy indicates that such information is to include descriptions of gaps or challenges within the supply chain and the component's actions or proposed actions to address them. The draft strategy currently indicates that the Supply Chain Executive Steering Committee¹⁹ will conduct periodic progress reviews of the execution plans and related activities. It also includes a template for the components to use in developing their execution plans. This template calls for the identification of each effort's objectives and activities, a detailed action plan, and measures of success required by the responsible component to ensure that DOD's strategy is successfully executed and expected outcomes are achieved. Additional detail about information included in the execution plans is provided in table 2.

¹⁹The Supply Chain Executive Steering Committee consists of the Deputy Assistant Secretary of Defense for Supply Chain Integration and senior officials from TRANSCOM, the Defense Logistics Agency, the services, and other DOD components, as required. It reviews progress in achieving the milestones, expected outcomes, and measures of success established in the execution plans.

Table 2: Data to Be Included in Components' Execution Plans

Execution plan data field	Description
General information	<ul style="list-style-type: none">• Title of effort• Lead component• Customer component
Introduction	Provides a summary of the supporting execution plan's objective(s), activities, and tasks, and how the effort supports improving asset visibility (tracking) and/or in-transit visibility.
Supporting references	Cites any applicable references, such as commander's guidance, GAO audit findings, tasking memorandums, or policy directives.
Issue statement	Describes the defect, deficiency, or vulnerability to be addressed by the effort; the needed process improvement; or the training, technology, and/or policy change needed to enable improved asset visibility (tracking) and in-transit visibility.
Overall objective(s)	Describes the primary objective(s) for improving asset visibility (tracking) and in-transit visibility that the component is addressing with the effort.
Supporting activities	Describes in detail supporting activities or tasks planned to achieve the desired objective(s). The execution plan should specify how completion of the supporting activities will resolve an issue, mitigate the likelihood of the issue occurring or reoccurring, or implement a solution or improved process.
Detailed action plan	Provides a plan of action that describes the target milestones for each activity and identifies the lead component and any supporting components.

Source: GAO analysis of DOD information.

According to the Deputy Assistant Secretary of Defense for Supply Chain Integration, components were directed to finalize their initial execution plans by June 2013. TRANSCOM, the Navy, and the Defense Logistics Agency have provided execution plans. The Army, the Marines Corps, and the Air Force plan to provide theirs in 2013. Until DOD has compiled all of these execution plans in its draft in-transit visibility strategy and finalized the strategy to include all of the elements necessary for a comprehensive strategic plan, it will not have a comprehensive approach to guide its planning and investment decisions to achieve desired outcomes and goals for department-wide in-transit visibility, including the priority with which to implement these efforts. According to the draft strategy, DOD intends to continuously update the strategy with new execution plans as necessary.

DOD Has Included Some but Not All Key Elements of a Comprehensive Strategic Plan in Its Draft Strategy

DOD's draft strategy for in-transit visibility includes some but not all of the elements we have identified as necessary for a comprehensive strategic plan. Our prior work has shown that strategic planning is the foundation for defining what an agency seeks to accomplish, identifying the strategies it will use to achieve desired results, and determining how well it will succeed in reaching results-oriented goals and achieving objectives. Combined with effective leadership, strategic planning that results in an integrated and comprehensive strategic plan enables decision makers to better guide program efforts and determine if these efforts are achieving the desired results. According to our prior work, a comprehensive strategic plan should include a mission statement; a problem definition, scope, and methodology; goals and objectives; activities, milestones, and performance measures; resources and investments; information about organizational roles, responsibilities, and coordination; and a description of key external factors that could affect the achievement of goals.²⁰

Our analysis shows that the current draft of DOD's strategy for asset visibility and in-transit visibility fully includes one of the seven elements of a comprehensive strategic plan, partially includes four others, and does not include the remaining two. Specifically, the draft strategy includes overarching goals and objectives that address the overall results desired from implementation of the strategy. Three of the elements we identified as 'partially included' are nearing completion, but our review of the draft strategy shows that not all components had submitted their execution plans, which provide key information about the components' in-transit visibility efforts and describe gaps or challenges within the supply chain, as well as the components' actions or proposed actions to address them.

The draft also does not include information about the resources and investments that would be required to achieve the goals laid out in the strategy, nor does it include key external factors—issues external to the agency and beyond its control—that could affect the achievement of the strategy's goals. We have previously reported that it is important to identify resources and investments—which may include skills and technology, human, capital, information, and other resources—in order to be able to monitor efficient use of resources allocated to in-transit visibility

²⁰GAO, *Managing for Results: Critical Issues for Improving Federal Agencies' Strategic Plans*, [GAO/GGD-97-180](#) (Washington, D.C.: Sept. 16, 1997).

efforts and measure the costs and benefits of these efforts.²¹ Additionally, it is important to identify key external factors that might affect a comprehensive strategic plan so that a mitigation plan can be developed.²² Table 3 describes the extent to which the key elements of a comprehensive strategic plan are included in DOD's draft strategy.

Table 3: Extent to Which DOD's Draft Strategy for In-Transit Visibility Includes the Seven Elements of a Comprehensive Strategic Plan

Elements of a comprehensive strategic plan	Our assessment
Mission Statement —A comprehensive statement that summarizes the main purpose of the strategy. Language discussing the main purpose of the strategy and associated efforts is included in the current draft. In addition, the submitted execution plans included outcome oriented goals; however, not all components have submitted their execution plans, which would potentially include this information.	Partially included
Problem Definition, Scope, and Methodology —Presents the issues to be addressed by the strategy, the scope the strategy covers, and the process by which it was developed. Issues with asset tracking and in-transit visibility are discussed throughout the draft strategy and in the submitted execution plans; however, not all components have submitted their execution plans, which would potentially include this information.	Partially included
Goals and Objectives —The goals to be achieved by the strategy. The strategy includes overarching goals and objectives that address the overall results desired from implementation of the strategy.	Included
Activities, Milestones, and Performance Measures —The identification of steps to achieve those results, as well as milestones and performance measures to gauge results. The draft strategy and its execution plans include activities, milestones, and performance measures to improve asset visibility (tracking) and in-transit visibility; however, not all components have submitted their execution plans, which would potentially include this information.	Partially included
Resources and Investments —Costs to execute the plan and the sources and types of resources and investments, including skills and technology and the human, capital, information, and other resources required to meet the goals/objectives. The current draft of the strategy does not identify the types of resources or investments needed to execute the strategy (e.g., budgetary, human capital, information technology, contracts, etc.) and the strategy's guidance for preparing the execution plans does not require this information.	Not included

²¹GAO, *DOD's 2010 Comprehensive Inventory Management Improvement Plan Addressed Statutory Requirements, But Faces Implementation Challenges*, [GAO-11-240R](#) (Washington, D.C.: January 7, 2011).

²²See GAO, *Managing for Results: Critical Issues for Improving Federal Agencies' Strategic Plans*, [GAO/GGD-97-180](#) (Washington, D.C.: Sept. 16, 1997) and GAO, *Next Generation Enterprise Network: Navy Implementing Revised Approach, but Improvement Needed in Mitigating Risks*, [GAO-12-956](#) (Washington, D.C.: September 19, 2012).

Elements of a comprehensive strategic plan	Our assessment
Organizational Roles, Responsibilities, and Coordination —A description of roles and responsibilities for managing and overseeing the implementation of the strategy and the establishment of mechanisms for multiple stakeholders to coordinate their efforts throughout implementation and make necessary adjustments to the strategy based on performance. The current draft discusses the roles, responsibilities, and coordination of several components. However, it does not include those of U.S. Central Command, although the command is referenced multiple times in the draft strategy and is involved with in-transit visibility efforts as an implementer or joint implementer.	Partially included
Key External Factors that Could Affect Goals —Key factors external to the organization and beyond its control that could significantly affect the achievement of the long-term goals contained in the strategy. These external factors can include economic, demographic, social, technological, or environmental factors, as well as conditions or events that would affect DOD's ability to achieve the desired results. Such factors are not identified in the current draft, because the draft strategy guidance does not require them to be included.	Not included

Source: GAO analysis of DOD data.

Conclusions

DOD recognizes that challenges to in-transit visibility contribute to the continued inclusion of supply chain management on our high-risk list. The department has a number of efforts that are designed to improve asset visibility and in-transit visibility. However, DOD's awareness of in-transit visibility efforts, and the resources allocated to them, is limited and DOD does not have a comprehensive mechanism in place for collecting and sharing complete, accurate, and consistent information about these efforts and the organizations conducting them. DOD is currently developing a strategy to address in-transit visibility challenges and guide efforts to achieve in-transit visibility of DOD assets. A key component of this strategy is the inclusion of defense components' execution plans, which are based on a template provided by DOD that calls for information about their in-transit visibility efforts. Until DOD has compiled all execution plans in the draft and finalized its in-transit visibility strategy to include all key elements necessary for a comprehensive strategic plan, it will not have the information it needs to make well-informed decisions about asset visibility and in-transit visibility, including setting budget priorities for its in-transit visibility efforts across the supply chain in an increasingly constrained fiscal environment.

Recommendation for Executive Action

To increase DOD's awareness of efforts across the defense components to improve in-transit visibility, and to guide planning and investment decisions for DOD's in-transit visibility efforts, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology and Logistics to finalize a department-wide in-transit visibility strategy that will be implemented across the department.

When finalizing this strategy and the accompanying execution plans, DOD should ensure that

- complete, accurate, and consistent information about all in-transit visibility efforts is captured, tracked, and shared across the department and
- the strategy contains all of the key elements of a comprehensive strategic plan, including resources and investments and key external factors.

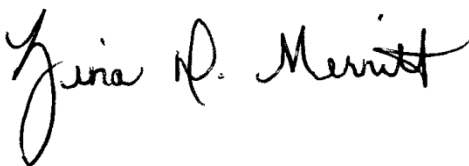
Agency Comments

In written comments on a draft of this report, DOD concurred with our recommendation to finalize a department-wide in-transit visibility strategy—to be implemented across the department—that ensures complete, accurate, and consistent information about all in-transit visibility efforts is captured, tracked, and shared, and contains all of the key elements of a comprehensive strategic plan. DOD stated that the Office of the Assistant Secretary of Defense for Supply Chain Integration will establish a central repository to ensure that information is shared across the department after the strategy is finalized. DOD also stated that the strategy currently being drafted will be finalized by June 1, 2013, and will include the components' execution plans, which will contain plans for implementation, cost and resource requirements, and information on external factors that may affect the implementation of each effort.

DOD's comments are reprinted in appendix III.

We are sending copies of this report to the appropriate congressional committees. We are also sending copies to the Secretary of Defense; the Deputy Secretary of Defense; and the Under Secretary of Defense for Acquisition, Technology and Logistics. This report will also be available at no charge on our website at <http://www.gao.gov>.

Should you or your staff have any questions concerning this report, please contact me at (202) 512-5257 or merrittz@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Staff who made major contributions to this report are listed in appendix IV.

A handwritten signature in black ink, reading "Zina D. Merritt". The signature is fluid and cursive, with the first name "Zina" being the most prominent.

Zina D. Merritt
Director
Defense Capabilities and Management

List of Committees

The Honorable Carl Levin
Chairman

The Honorable James Inhofe
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Howard P. McKeon
Chairman

The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Appendix I: Scope and Methodology

To determine the extent to which DOD was aware of its components' efforts to achieve in-transit visibility, we asked the defense components to provide us with information about their efforts to address in-transit visibility covering fiscal years 2009 through 2015. We provided the defense components with requests for information about the efforts, including the title of each effort, the purpose, funding obligations, projected costs, the lead component for each effort, and whether there were other stakeholder components or agencies. Officials from the components provided us with information that they compiled from various offices within their organizations. We analyzed the information provided and conducted follow-up discussions with officials from each component to identify the efforts that were specifically related to in-transit visibility rather than other aspects of asset visibility and to clarify information that had been provided. To determine which of the efforts reported to us were related to in-transit visibility, we used DOD's definition of in-transit visibility from Joint Publication 1-02.¹ For the purposes of this report, in-transit visibility efforts are systems, devices, or programs that are intended to improve DOD's ability to track the identity, status, and location of DOD cargo (excluding petroleum, oils, and lubricants) from origin to destination. To determine the total costs for all efforts, we added together the obligations and projected costs for each effort reported by the components. We did not assess the reliability of the cost information provided by the components, because the cost information they provided did not materially affect our key findings. We interviewed officials to identify coordination mechanisms, both formal and informal, and to determine whether components were sharing information across DOD.

To determine the extent to which DOD has a strategy to achieve in-transit visibility that includes the elements of a comprehensive strategic plan, we identified draft and existing policies and guidance for in-transit visibility across various DOD components and assessed whether such policies and guidance provide a comprehensive strategic plan for in-transit visibility. Specifically, we evaluated DOD's November 2012 draft strategy for improving asset visibility and in-transit visibility and determined whether it included elements applicable to a strategy for maintaining in-transit visibility of assets in the DOD supply chain. We reviewed prior GAO reports and testimonies pertaining to DOD supply chain

¹Joint Chiefs of Staff, Joint Publication 1-02, *Department of Defense Dictionary of Military and Associated Terms* (Dec. 15, 2012).

management, including our reviews of DOD's prior strategic planning efforts for asset visibility, and compared the draft strategy and its elements to criteria on effective strategic planning from our prior reports. Specific criteria on the elements of a comprehensive strategic plan that we discussed in previous reports are also discussed in this report. Using these same criteria, we conducted a content analysis of the draft strategy to determine whether specific elements of a comprehensive strategic plan were included. Two analysts independently compared the strategy to the specific elements. The analysts then discussed their individual reviews and reached a consensus in areas where they had disagreed. We met with officials from the Office of the Deputy Assistant Secretary of Defense for Supply Chain Integration, the Defense Logistics Agency, and TRANSCOM to discuss features of the draft strategy and ongoing and possible future strategic planning efforts. We met with officials from the Office of the Deputy Assistant Secretary of Defense for Supply Chain Integration to discuss the draft strategy and the oversight structure for DOD's in-transit visibility efforts (including senior-level logistics governance bodies) and obtained additional insight and supporting documentation (e.g., agendas and meeting minutes from these bodies) on the purpose, status, and implementation of the draft strategy. For both objectives, we reviewed DOD policies and other documentation, and our prior work on strategic planning and defense logistics.

In conducting our work, we contacted and obtained information from the following organizations:

- Office of the Deputy Assistant Secretary of Defense for Supply Chain Integration
- U.S. Transportation Command
- Surface Deployment and Distribution Command
- U.S. Central Command²
- Defense Logistics Agency
- Office of the Deputy Chief of Staff of the Army
- Office of the Deputy Assistant Secretary of the Navy
- Office of the Deputy Chief of Staff of the Air Force
- Office of the Deputy Commandant of the Marine Corps

²We included U.S. Central Command as one of the key components, because we have previously reported that DOD supply chain management in U.S. Central Command's area of responsibility is a high risk area, and that asset visibility is one of the focus areas for improvement.

Appendix II: List of In-Transit Visibility Efforts

The table below provides a list of the in-transit visibility efforts reported by the defense components during the course of our review, a brief description of each effort, and cost information where available. Where no cost information is provided, there was no cost during that fiscal period, the cost was not readily available, or the cost is included with another effort that is listed in the table below. The list of efforts does not include working groups, meetings, conferences, detection metrics, standards, policies, training, or staff actions.

Effort and description	Obligations FY 2009 - FY 2011	Projected costs FY 2012 - FY 2015	Total costs
Army efforts			
Radio Frequency-In-transit Visibility (RF-ITV) A system that provides users with a single source of near real-time location, carrier, and other data on DOD cargo from origin to destination.	109.4	111.5	220.9
Mortuary Affairs Reporting and Tracking System A system that provides data on the shipment of personal effects of fallen or missing soldiers.	—	—	—
Next Generation Wireless Communications (NGWC) for Logistics Applications A program to integrate new wireless technologies with sensors that allow communication among RFID tags.	12.0	11.4	23.4
Movement Tracking System (MTS) A system that tracks the location of vehicles and cargo in transit via RFID tags, and communicates with vehicle operators when they need to redirect their routes.	344.6	129.6	474.2
Active Radio Frequency Identification (aRFID) Migration A program designed to move the active RFID enterprise from a proprietary air interface protocol to an open standard. (TRANSCOM, the services, Defense Logistics Agency)	6.0	—	6.0
Battle Command Sustainment and Support System (BCS3) A system that allows users to manage end-to-end distribution, force management, logistics status, and enhances situational awareness in theater.	17.9	2.2	20.1
Battle Command Sustainment and Support System – Node Management (BCS3-NM) Improvements to a system that allow users to view and manipulate supply and distribution data and facilitate end-to-end tracking and reporting capabilities.	—	—	—
The Smart Container In-Transit Visibility Limited Objective Experiment (LOE) A pilot program that compared various configurations of containers and satellite tracking devices to identify problems in tracking and recommend solutions. (U.S. Central Command, Army)	1.7	—	1.7
Navy efforts			
Navy Enterprise Resource Planning (ERP) Warehouse Management/Inventory Management (WM/IM) Automatic Identification Technology (AIT) Deployment and Sustainment A system that provides inventory management data.	2.0	0.8	2.8
Radio Frequency Identification (RFID) Asset Visibility Enterprise (RAVE) A program that captures information on supplies and equipment when they are turned in for repair and when they are moved to commercial or maintenance facilities.	2.5	1.0	3.5
Joint Ordnance Commanders Group (JOCG) Joint AMMO Two Dimensional (2D) Bar Coding A program to standardize 2D bar coding on ordnance packaging to facilitate tracking.	3.2	—	3.2
Active Radio Frequency Identification (aRFID) Program A program to implement the mandated use of aRFID tags for certain cargo transported into theater and to set up aRFID infrastructure at all Navy sites. (Undertaken in response to 2004 OSD Memo)	1.5	2.0	3.5

Appendix II: List of In-Transit Visibility Efforts

Effort and description	Obligations	Projected costs	Total costs
	FY 2009 - FY 2011	FY 2012 - FY 2015	
Marine Corps efforts			
Marine Corps Consolidation of Automatic Identification Technology Infrastructure A program to combine the data from existing infrastructures' automated identification technologies and to share these data with other systems.	—	10.2	10.2
Savi Global Satellite Tag Pilot A pilot program that allows users to upload data on the location of cargo via satellite and share these data with cargo tracking systems such as Battle Command Sustainment and Support System (BCS3).	—	—	—
Active Radio Frequency Identification (aRFID) Migration A program designed to move the active RFID enterprise from a proprietary air interface protocol to an open standard. (TRANSCOM, the services, Defense Logistics Agency)	2.7	5.0	7.7
Active Radio Frequency Identification (aRFID) Portable Deployment Kits A kit containing a portable aRFID reader that allows users to collect and process data from aRFID tags outside the network of stationary readers.	3.6	3.1	6.7
Last Tactical Mile In-Transit Visibility, Warehouse to War fighter A system that provides data on cargo in transit.	6.7	2.9	9.6
Air Force efforts			
Enterprise Data Collection Layer (EDCL) A system that enables the Air Force to make applications available for mobile devices, so that users can collect cargo data and transmit them to systems of record.	4.3	2.6	6.9
Passive Radio Frequency Identification (pRFID) Infrastructure A program to install a pRFID infrastructure at several Air Force bases.	0.1	0.1	0.2
GATES - Enterprise Data Collection Layer (EDCL) Interface A capability that combines logistics data from two systems.	—	—	—
Item Unique Identification (IUID) Project Implementation A program to uniquely mark and register certain government property with two-dimensional barcodes.	10.4	2.5	12.9
Asset Management (AM) A system that automates entry of data on cargo distribution.	0.1	—	0.1
Active Radio Frequency Identification (aRFID) Infrastructure A program to install an aRFID infrastructure at several Air Force installations. (Undertaken in response to 2004 OSD Memo)	1.2	0.3	1.5
Joint Staff efforts			
Global Combat Support System-Joint (GCSS-J) A system that provides joint logisticians with visibility and decision support tools to effectively plan and execute logistics support for current and future operations.	0.2	0.2	0.4

Appendix II: List of In-Transit Visibility Efforts

Effort and description	Obligations	Projected costs	Total costs
	FY 2009 - FY 2011	FY 2012 - FY 2015	
U.S. Transportation Command efforts			
Integrated Mission Support for Surface Deployment and Distribution Command (ISDDC) A system that stores information about DOD cargo carried on commercial vessels and makes it available to users.	5.5	6.7	12.2
Implementation of Active Radio Frequency Identification (aRFID) at Seaports A program to add aRFID readers at designated strategic air and sea ports. (Undertaken in response to 2004 OSD Memo)	6.4	7.3	13.7
Integrated Data Environment (IDE)/Global Transportation Network (GTN) Convergence (IGC) A system that consolidates data generated by the services and the Defense Logistics Agency about supplies and equipment and makes this information available to users. (Defense Logistics Agency, TRANSCOM).	151.4	152.8	304.2
U.S. Central Command efforts			
Enhancement of Movement Visibility Features on the CCJ4 Logistics Common Operating Picture (LOGCOP) Improvements to a system that gives personnel in theater the capability to identify the locations where cargo containers experience intrusion.	1.4	0.9	2.3
Defense Logistics Agency efforts			
Passive Radio Frequency Identification (RFID) Visibility for the Department of Defense (DOD) Improvements to an existing system that provides in-transit visibility of cargo using passive RFID. (Undertaken in response to 2004 OSD Memo)	0.5	—	0.5
Passive Radio Frequency Identification (RFID) Receiving (PRR) Program An enhancement to an existing cargo receiving process that uses passive RFID to improve the quality of data and process efficiency for cargo arriving at distribution depots.	4.9	0.4	5.3
Active Radio Frequency Identification (aRFID) Migration A program designed to move the active RFID enterprise from a proprietary air interface protocol to an open standard. (TRANSCOM, the services, and Defense Logistics Agency)	0.2	0.1	0.3
Materiel Receipt Asset Tracking Improvements to a warehouse system that provides enhanced inventory controls from receipt of cargo to storage.	0.1	—	0.1
Positive Materiel Transfer (PMT) A program to improve a system that provides in-transit visibility of cargo from a distribution depot to the point of delivery. (Defense Logistics Agency, Air Force)	0.3	0.2	0.5
Clothing and Textile Military Uniform Program A program that improves the quality of inventory management data used to track initial issuance of military uniforms. (Defense Logistics Agency, the services)	0.2	1.5	1.7

Source: GAO analysis of DOD data.

Notes: In most cases, each effort is lead by a single component. For each effort that is led by more than one component, the names of the components are listed in parentheses in the table entry.

The Navy and the Air Force each have their own Active Radio Frequency Identification (aRFID) Migration Program. These two programs are included with the aRFID Program and the aRFID Infrastructure, respectively and are therefore not listed in the table.

Appendix III: Comments from the Department of Defense



LOGISTICS AND
MATERIEL READINESS

ASSISTANT SECRETARY OF DEFENSE
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

FEB 21 2013

Ms. Zina D. Merritt
Director
Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Merritt:

This is the Department of Defense (DoD) response to the U.S. Government Accountability Office (GAO) Draft Report, GAO-13-201, "DEFENSE LOGISTICS: A Completed Comprehensive Strategy is Needed to Guide DOD's In-Transit Visibility Efforts," dated January 22, 2013 (GAO Code 351652). Detailed comments on the report recommendations are enclosed. My point of contact is Colonel Richard Peterson, Supply Chain Integration, at Richard.Peterson@osd.mil or 571-372-5203.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan E. Estevez", is written over a horizontal line.

Alan E. Estevez

Attachment:
As stated

GAO DRAFT REPORT DATED JANUARY 22, 2013
GAO-13-201 (GAO CODE 351652)

**“DEFENSE LOGISTICS: A COMPLETED COMPREHENSIVE
STRATEGY IS NEEDED TO GUIDE DOD’S IN-TRANSIT
VISIBILITY EFFORTS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS**

RECOMMENDATION 1: To increase DOD's awareness of efforts across the defense components to improve in-transit visibility, and to guide planning and investment decisions for DOD's in-transit visibility efforts, GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Acquisition, Technology and Logistics to **finalize a department-wide in-transit visibility strategy that will be implemented across the department. When finalizing this strategy and the accompanying execution plans, DOD should ensure that complete, accurate, and consistent information about all in-transit visibility efforts is captured, tracked, and shared across the department and the strategy contains all key elements of a comprehensive strategic plan, including resources and investments and key external factors.**

DoD RESPONSE: Concur. The Asset Visibility (Tracking) and In-Transit Visibility (ITV) Strategy document, being developed by the Office of the Deputy Assistant Secretary of Defense (Supply Chain Integration), will provide the guiding framework and repository of supporting execution plans (SEPs) to improve asset tracking and ITV. The first edition of the Strategy Document will be finalized by June 1, 2013 and will include DoD Component SEPs containing component plans for implementation, as well as cost/resource requirements, and will identify external factors which may impact the scheduled implementation for each SEP. The Asset Visibility and ITV working group, in support of the Supply Chain Executive Steering Committee, will continue to look across the end-to-end supply chain for opportunities to further improve asset tracking and ITV within the Department. Accordingly, in addition to the initial SEPs, the Supply Chain Executive Steering Committee will review the Strategy document on an annual basis to identify additional opportunities to be tracked and shared within the framework of the Asset Visibility and ITV strategy. The Office of the Deputy Assistant Secretary of Defense (Supply Chain Integration) will establish a central repository to enable department-wide information sharing after the Strategy document is finalized.

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Zina D. Merritt, 202-512-5257 or merrittz@gao.gov

Staff Acknowledgments

In addition to the contact named above, Kimberly Seay, Assistant Director; LaToya King; Joanne Landesman; Lisa McMillen; Connie Sawyer, Jr.; Michael Silver; Amie Steele; and Michael Willems made key contributions to this report.

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